

SPEECH

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HON. JOHN C. CALHOUN,

1782-1858

OF SOUTH CAROLINA,

ON MR. CLAY'S RESOLUTIONS

IN RELATION TO THE

REVENUES AND EXPENDITURES OF THE GOVERNMENT:

DELIVERED IN THE

SENATE OF THE UNITED STATES,

WEDNESDAY, MARCH 16, 1842.

WASHINGTON:

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SPEECH.

Mr. CALHOUN said: These resolutions are of a very mixed and contradictory character. They contain much that I approve, and much that I condemn. I approve of them, in the first place, because they recognise the compromise act, and profess to respect its provisions. I still more heartily approve of them because they assert that no duty ought to be laid but for revenue, and no revenue raised but what may be necessary for the economical administration of the Government, and, by consequence, abandon the protective policy. I very decidedly approve of the preference which they give to the ad valorem, over specific duties, and the effective argument of the Senator [Mr. CLAY] in support of that preference. And, finally, I approve of the principle that the Government ought not to rely on loans or Treasury notes, as a part of their ways and means in time of peace, except to meet a temporary deficit.

Having approved of so much, it may be asked, for what do I condemn them? I do it for this; that they do not propose to carry out in practice, what they profess in principle; that while they profess to respect the compromise act, they violate it in every essential particular but one, the ad valorem principle, and even that I fear it is intended to set aside by the juggle of home valuation. If there be any part of that act more sacred than another, it is that which provides that there shall be no duty imposed after the 30th of June next, except for revenue, and no revenue raised, but what may be necessary to the economical administration of the Government. It was for that the act was passed, and without which, it would not have existed. If that was not apparent on the face of the act itself, the causes which led to its adoption would clearly prove it. It is sufficient, in this connection, to remind the Senate that the object of the act was to terminate the controversy between the State of South Carolina and this Government, growing out of the tariff of 1828. The object of the State, as far as it was individually concerned, was twofold—to put down the protective policy, and to protect herself against high duties, even for revenue, when it could be avoided by due regard to economy. To secure the former, the provision was inserted that no duty should be laid but for revenue; and the latter, that no revenue should be raised but what was necessary for the economical administration of the Government. Without these provisions, I, as her representative on this floor, would never have given my assent to the act; and, if I had, the State would never have acquiesced in it. I speak

with perfect confidence; for even with these important provisions, she reluctantly assented to the compromise.

Besides these, there was another object in which the whole Union was deeply concerned, which influenced her in the step she then took; and that was to guard against the dangerous consequences of an accumulation of a large surplus revenue in the Treasury after the payment of the public debt. While defending herself and the portion of the Union in which her lot is cast, against an unconstitutional and oppressive measure, she was not unmindful of her Federal duties and obligations, nor did she permit her fidelity to the Union and the Government to be impaired in her resistance to oppression. She had the sagacity to see, long in advance, the corrupting and dangerous consequences of a large and permanent surplus, of which experience has since given such calamitous evidence; and has the merit of taking the most intrepid stand against it, while others were unheeding, or indifferent to consequences. To guard against this danger, every article imported, that did not come in conflict with the protective policy, was made, by the compromise act, duty free to the 30th of June next, which, in the aggregate, equalled in value those on which the duties were retained; that is, one-half the duties were forthwith repealed, but to prevent the possibility of abuse, and to guard, in the most effectual manner, the two leading provisions of the act, it was expressly provided that, after that time, all articles of imports, except a small list contained in the 5th section, should be subject to duty, and that no duty should thereafter exceed 20 per cent. ad valorem. The intention of the former provision was to prevent the enlargement of the free list, and thereby raising the duties proportionally higher on the dutied articles; and of the latter, that under no pretext whatever, for protection or revenue, should duties be raised above 20 per cent. which was regarded as the extreme limits to which they ought ever to be carried for revenue. These were the guards on which I relied to prevent a return to the protective policy, or the raising of the revenue beyond what the necessary and economical wants of the Government might require, and which, if they should be respected, will prove all-sufficient for the purpose intended.

Having secured these essential points, as far as the State and the Union at large were concerned, the next object was so to reduce the duties on the protected articles, as to prevent any shock to the manufacturing interests. The State waged no war

against them. Her opposition was to the unconstitutional and oppressive means by which it was sought to promote them at the expense of the other great interests of the community. She wished the manufacturers well; and in proposing to bring down the duties gradually, through a slow process of many years, to the revenue point, I but faithfully represented her feelings. My first proposition was to allow seven years, and to take one-seventh annually off, but, finally, I acquiesced in extending the time two years more, and to reduce the duties as provided for by the act. So far from being an opponent to manufacturing industry, there is not one within the reach of my voice, who puts a higher estimate on those arts, mechanical and chemical, by which matter is subjected to the dominion of mind. I regard them as the very basis of civilization, and the principal means designed by Providence for the future progress and improvement of our race. They will be found in progress to react on the moral and political world, and thereby producing greater and more salutary changes in both, than all other causes combined.

Such are the leading objects of the compromise act. It is admitted on all hands, that the provisions in favor of the manufacturing interest have been faithfully observed on our part. We have patiently waited the nine years of slow reduction, and resisted every attempt to make changes against the manufacturing interest, even when they would have operated in our favor, and for which we have received the thanks of those who represented it on this floor. And now, when the time has arrived, when it is our turn to enjoy its benefits, they who called on us to adhere to the act, when the interest of the manufactures was at stake, and commended us for our fidelity to the compromise, turn round, when it suits their interest, and coolly and openly violate every provision in our favor, with the single exception already noticed, as I shall next proceed to show.

For that purpose it will be necessary to go back to the extraordinary session, for then the violation commenced. Going then back, and passing over minor points, I charge upon the Senator and his friends in the first place a palpable infraction of the compromise, in raising the duties without making the least effort to reduce the expenditures of the Government, to what was necessary to its economical administration. The act is positive, that no more revenue should be raised than what such administration might require; a provision just as essential as that which requires that no duty should be imposed but for revenue. Acting, then, in the spirit of the act, the first step towards a revision of the duties should have been to ascertain what amount of revenue would be required for the economical administration of the Government. Was that done? Nothing like it; but the very reverse. Not an effort was made to ascertain what the wants of the Treasury required; not one to reduce the expenditures, although the Senator and his party had come in on a solemn pledge to make a great reduction. Instead of that, every effort was made to increase the expenditures and add to the loans, forgetful alike of the compromise and pledges to the people, and at the same time, to reduce the revenue by giving away the income from the lands, with the intention of increasing the duties on the imports.

The next charge I make is a great enlargement of the list of free articles by the act increasing the duties passed at the same session, in direct violation

of the fifth section of the compromise act. Foreseeing that the protective system might again be renewed, and high duties imposed, simply by extending the list of free articles, and throwing the whole burden of supporting the Government on the articles selected for protection, that section enumerates a short list of articles which should be duty free after the 30th June next, and provided that all which were not enumerated should be subject to duties after that period, in order to guard against such abuses. In the face of this provision, the act alluded to increased the list of free articles manifold, taking the amount stated by the Senator, as contained in that list, to be correct.

Such were the infractions of the act during that session; and it is now proposed by these resolutions to give the finishing blow by raising the duties, on an average, to thirty per centum on all articles not made free, in express violation of the main provision in the compromise, that no duty should be laid above 20 per cent. after the 30th of June next. The Senator admits this to be an infraction, but pleads necessity. Now, sir, I admit, if there be indeed a necessity—if, after reducing the expenditures of the Government to its just and economical wants, and the list of free articles to that provided for in the act, and returning the revenue from the lands to the Treasury, there should be a deficit, which could not be met, without going beyond the 20 per cent. a case would be made that might justify it. But I utterly deny, in the first place, that if all had been done that ought to have been, there would be any such necessity, and in the next, the right to plead a necessity of his own creating. I go farther, and call on him to explain how he can, in fairness or honor, after what occurred at the extraordinary session, propose, as he has in these resolutions, to repeal the provision in the distribution act which makes it void if the duties should be raised above 20 per cent. It is well known to all, that it could not have passed without the insertion of that provision, and that on its passage depended that of the bankrupt bill. Now I ask him how, after having secured the passage of two such important measures, can he reconcile it with what is fair or honorable, to turn round and propose to repeal the very provision by which their passage was effected?

But the Senator denies that the necessity is of his creating, and insists that if the revenue from the land were restored, rigid economy enforced, and all the provisions of the compromise respected, there would not be sufficient income to meet the necessary and economical wants of the Government. I take issue with him on the fact, and shall now proceed to show, that even on his own data, there would be ample revenue without raising the duties above 20 per cent.

According to the estimates of the Senator, the whole amount of appropriations, excluding public debt, required for the service of the year, permanent and current, under the various heads of civil list and miscellaneous, army and navy in all their branches, is twenty millions five hundred thousand dollars. To which he adds for other appropriations, not included in these, one million five hundred thousand dollars, which can mean nothing but contingent, unforeseen expenditures; and for the debt, two millions of dollars, making in the aggregate twenty-four millions of dollars. To this he proposes to add two millions more annually, as a reserved fund to meet contingencies, to which I object, on the ground that the object is already pro-

vided for by the one million five hundred thousand dollars for appropriations not included in the twenty millions five hundred thousand. There can be no demand on the Treasury but through appropriations, and there can be no meaning attached to contingent appropriations, but such unforeseen expenditures as are not usually included under the various heads of civil list, miscellaneous, army and navy. The Senator has clearly attempted to make a distinction that does not exist, and in consequence made a double provision for the same object. Of the two, I take the less sum, as I regard it ample as a permanent contingent fund, which will make his estimate for the year, thus corrected, to be twenty-four millions of dollars—a sum surely amply large.

Let us now turn to the ways and means to meet this large demand on the Treasury. The first item is the revenue from the land, which ought to yield, under proper management, an average of at least three millions five hundred thousand dollars for the next five years, and which would reduce the amount to be provided for from the imposts to twenty millions five hundred thousand dollars. From this there ought to be deducted at least five hundred thousand dollars from the saving that may be made in the collection of the customs, which the Senator estimates at one million six hundred thousand. I find, taking a series of years, under the tariff of 1828, with its exorbitant duties, and the consequent great increase of expenditures to guard against smuggling and frauds, that the collection of about an equal sum cost 4.12 per cent. Allowing the same rate under the more simple and moderate system of duties, according even to the scheme of the Senator, and the cost of collection, instead of the sum proposed, would be about eight hundred and fifty thousand dollars, making a difference of seven hundred and fifty thousand; but for the facility of counting, and to be liberal, I allow but half a million for saving. That would reduce the sum to be provided for by duties, to twenty millions of dollars; and the next question is, what rate of duty will be necessary to meet that amount?

Here, again, I will take the estimate of the Senator, as the basis of my calculation. He bases his estimates of the imports, on the probable amount of the exports, adding fifteen per cent. to the former for the profits of freight and trade. On this basis he estimates the probable amount of imports at one hundred and nineteen millions of dollars, a sum probably too low, taking the average of the next five years, provided the duties shall be moderate, and no adverse unforeseen cause should intervene. From this sum he deducted ten millions to meet the interest abroad, on account of the debts of the States; a sum, for the reason assigned by the Senator from New Hampshire behind me, too large, at least by three millions of dollars. Deduct seven millions on that account, and there would be left one hundred and twelve millions. The Senator next deducted eighteen millions for articles made free by the act of the extra session, not including coffee and tea, which he estimates at twelve millions. I cannot assent to the deduction to the extent stated, as it is clearly against the provisions of the compromise act, as beyond the permanent free list provided for by that act. What would be the amount within its limits I have not been able to ascertain; but on the best data I have been able to obtain, I would not suppose that it would much, if any, exceed three

million five hundred thousand dollars, not including gold and silver. I exclude them because they are constantly flowing in and out, according to the demands of trade, the imports of one year becoming the exports of the next, and the reverse, except the small amount that may be permanently added to the circulation or be used in the country. The sum of three million five hundred thousand dollars deducted from the hundred and twelve millions, would leave, on the data assumed, a hundred and eight million five hundred thousand as the probable annual amount of dutiable articles, that would be imported for home consumption. Twenty per cent. on that sum would give twenty-one million seven hundred thousand dollars, a sum ample to meet the amount estimated, and cover the necessary expenses of collection, and pay the bounties and premiums properly chargeable on the Treasury.

But in making these calculations, I by no means wish to be understood as acquiescing in the estimates which the Senator has made of what ought to be the expenditures of the Government. I hold them much too high. With an efficient system of administration, actuated by a true spirit of economy, seventeen millions would be ample to meet all expenses, without impairing the efficiency of the Government, as I have shown on a former occasion; to raise which an average duty of twelve or fifteen per cent. instead of twenty, would, with the aid of the revenue from the lands, be abundantly sufficient.

Having now shown, that while the Senator professes to respect the compromise, he has in fact violated, or proposes to violate, all the essential provisions of the act, and that his plea of necessity for the proposing to raise the duties above the twenty per cent. utterly fails him, it may be asked, how is this contradiction in his course to be explained? Is he deluded, or does he intend to delude others? To suppose the latter would impeach his sincerity, which I do not intend to question. But how is delusion to be accounted for? It results from his position.

He is a tariff man, decidedly opposed to free trade. We have his own authority for the assertion. According to his views, free trade is among the greatest curses that could befall the country, and a high protective tariff among the greatest blessings. While he thus thinks and feels, circumstances not necessary to be explained, have placed him in such relation to the compromise act that he is sincerely desirous of respecting its provisions; but the misfortune is, that his respect for it is not compatible with his strong attachment to his long cherished system of policy. There is no estimating the force of self-delusion in a position so contradictory, of which the course of the Senator on this occasion furnishes a striking illustration. Entertaining the opinion he does, it is natural that he should desire to carry out in practice his high restrictive notions on one side and opposition to free trade on the other; nor is it to be wondered at that his respect for the compromise act should have to yield as far as they stand in the way of his favorite system; especially as he has persuaded himself that the experiment, as he chooses to call it, of free trade, has utterly failed on trial. Under that impression, he boldly asserted that the reduction of the duties had impaired the productive energy of the country and has proved a curse not only to the portion of the country which so strongly advocated it, but to the very State by whose efforts the protective policy was overthrown.

Here, again, I take issue on the fact with the Senator. I deny, in the first place, that we have had free trade, or any thing that comes near to it. It is true that about one-half of the articles were made duty free, but, on the residue, and they the most important, but a small reduction of duties, comparatively speaking, was made prior to the 1st of January last. Till then, the duty on most of the articles was at a high protective rate. But while I deny that we have had free trade, I equally deny that the reduction which has taken place has in any degree impaired the productive energies of the country, or proved a curse to the staple States. On the contrary, I assert and shall prove that its effects has equalled the most sanguine expectation of the friends of free trade, notwithstanding the highly adverse circumstances under which it has taken place; that of a currency fluctuating and deranged, credit universally impaired, the machinery of commerce broken, and our principal customer, on whom we mainly depend for the sales of our produce abroad, and the purchase of our supplies, in a state of the greatest commercial embarrassment. In the midst of all these opposing and formidable difficulties, the productive energies of the country have advanced beyond all former example, under the wholesome stimulus of reduction of duties, as I shall next proceed to show.

I shall draw my facts principally from the annual commercial document from the Treasury Department, which gives full and authentic information of the commerce and navigation of the year, in all their relations, and shall begin with that portion of our domestic products which is shipped abroad, and which constitutes the basis of our commerce and navigation. I shall not include the imports, not because they would give a less favorable view of our industrial pursuits, but because they would give one that was apparently too favorable during the last four years, owing to the vast extent of loans contracted abroad by many of the States, and which were principally returned in merchandise of various descriptions. Nor shall I include the carrying trade, because it is little affected by the rate of the duties, as they are returned in the shape of drawbacks on reshipment of the imported articles.

In order to have a full and satisfactory view of the relative effects of increasing and reducing the duties on our export trade, I have arranged in table A, the aggregate amount of all our domestic exports, including manufactures, for sixteen years, beginning with 1825, the first year under the first tariff laid professedly for protection, and ending with 1840, divided into two equal periods of eight years each; the first ending with 1832 and comprehending the period of the two protective tariffs of '24 and '28, and the last extending from the termination of the first to 1840 inclusive. I have not included '41 because it would impede the facility of comparing the two periods, by making one longer than the other, and not because it would be less favorable than the other years, since the commencement of the reduction. I have extended the first to 1833, notwithstanding the reduction of the duties on coffee, tea, and some other articles began in 1830, and which, as a reference to the table will show, gave a considerable impulse to our export trade in 1831 and '32, and a corresponding increase of the exports to the period of high protective duties, which fairly belongs to that of reduction. The great reduction took place in March, 1833, un-

der the compromise act, and with that year accordingly I commence the period of reduction, to the effects of which the Senator attributes such disastrous results to the industry of the country. With these remarks I shall now proceed to compare the two periods, in order to ascertain how far facts will sustain or refute his bold declamatory assertions.

The aggregate amount of the value of the exports, in the first series of years, from 1824 to 1833, the period when the protective policy was in its greatest vigor, was \$469,198,564, making an average of \$57,399,945 per annum, throughout the period; while the aggregate amount of value in the last, the period of reduction under the compromise, was \$768,352,365, giving an average of \$96,442,795, and making an aggregate gain, in the period of reduction, over that of protection, of \$299,174,791, and an average annual gain of \$38,646,855, being rather more than 65 per cent. on the average of the former period; an increase without example in any former period of the history of our commerce. This vast increase has had a corresponding effect on our tonnage in the foreign and coasting trade, as will appear by reference to table B, which contains a statement of our tonnage for the two periods. The aggregate amount of the foreign tonnage at the close of the first period was, in the foreign, 686,989, and the coasting 752,456 tons, making the aggregate 1,439,450 tons, against the last, in the foreign trade, of 896,664, and the coasting, 1,280,999; making, in the aggregate, 2,180,763, and an increase during the period of reduction of duties, over that of protection, of 741,303 tons; while during the first, there was an actual falling off in the tonnage, as the table will show.

But it will no doubt be objected, that this mighty impulse from reduction, which has so vastly increased our exports and tonnage, was confined to the great agricultural staples; and that the effects will be found to be the reverse on the manufacturing industry of the country. The very opposite is the fact; so far from falling off, it is the very branch of our exports that has received the greatest impulse, as will be apparent by reference to table C, in which the exports, in value, of domestic manufactures are arranged in tabular form, divided into the same periods. It will appear, by reference to it, that the whole value of the exports of domestic manufactures, during the period of high protective duties, was but \$43,180,755. So far from increasing, there was an actual falling off, comparing the last with the first year of the series, of \$505,633. Now turn to the period of reduction of duties, and mark the contrast. Instead of falling off, the exports increased to \$65,917,018 during the period; and, comparing the last year of the series with the last of that of high protective duties, the increase will be found to be \$7,798,207, greater than the former year by nearly three millions of dollars. This vast increase of the exports of domestic manufactures, even beyond the other branches of exports, is attributable mainly to the fact, that a large portion of the articles, for which they were exchanged, were made duty free during the period under the compromise, while the greater part of those for which the great agricultural staples were exchanged, were still subject to high duties.

But it has been said that this vast increase has resulted from the embarrassed state of the home market, which forced the manufacturers to go abroad to find purchasers, and that it is rather an evidence of

their depression than their prosperity. To test the truth of this objection, I propose to select the manufacture of cotton, which furnishes the largest item in the exports of domestic manufactures, and shall show conclusively that the increase of exports under the reduction of duties, so far from being produced by the cause assigned, is but the natural result of the healthy and flourishing condition of that important branch of our industry. I shall go to its head quarters, Lowell and Boston, for my proof, as affording the best possible evidence of its actual condition throughout the manufacturing region. I shall begin at the former place, and, in the absence of all official documents, shall draw from a highly respectable source, the writer of the money articles in the New York Herald, who appears to have drawn from some authentic source, if we may judge from the minuteness of his statement.

According to his statement, the entire amount of cotton goods made at Lowell, in 1839, was 58,263,400 yards, and in 1840, 73,853,400 yards, making an increase, in a single year, of 15,590,000 yards, more than 25 per cent. on the entire growth in that branch in that flourishing town, from its foundation to the beginning of the year 1840! But as great as that is, it is not equal, in proportion, to the quantity of the raw article consumed, which in the former year was 19,258,600 pounds, and the latter 23,764,000; increase 9,509,600; more than 50 per cent. in one year, on the entire increase of the consumption, up to the commencement of the year! What makes it the more striking, is the fact, that this great increase took place under a very great fall of price, averaging fully 22 per cent.; but notwithstanding this great fall, the aggregate gain from the fall in the price of the raw material and extension of the operations exceeded that of 1839 by \$195,922; affording conclusive proof that low prices and increased gain may be reconciled in manufacturing industry.

But it may be said that the gain is not in proportion to the extension of the operation, and that so far from indicating a prosperous condition, it is indicative of the reverse. To this I reply, that if the fact be as supposed—if the year 1840 was really a bad, instead of a good year, for the manufacture of cotton in Massachusetts and the adjacent region—the proof will be found in the falling off of their operations the next year. But, so far from that being the case, I shall show, by conclusive evidence, that their increase in 1841 exceeded all preceding years, if we may judge from the quantity of the raw material required, than which there can be nothing safer by which to judge.

I hold in my hand a statement of the amount of cotton imported into Boston from 1835 to 1840, inclusive; and from the 1st of January, 1841, to the 25th May, of the same year, being rather less than five months, taken from the Boston Atlas, which may be regarded as good authority on the subject. Now, assuming, as I safely may, that the cotton imported into Boston is almost exclusively for domestic use, and is consumed by that large portion of our cotton manufacturers, which draw their supply from there, we will have in the quantity imported, very nearly the quantity consumed; and in that consumed, the extent of the manufacturing operations in the entire circle, which draws its supplies from Boston. Now, what says the statement? In 1835 there were imported, in round numbers, into Boston 80,000 bales; in 1836, 82,000; in 1837, 82,000; in 1838, 96,000; in 1839, 94,000; in 1840, 136,000; and from 1st January to the 26th May,

1841, 93,000; and for the year, as estimated by the Editor of the Atlas, 150,000, almost double the consumption, as compared to 1835, in the short space of eight years, and increasing more and more rapidly with the reduction of duties, and the most rapidly, just as the period of the final great reduction, is about to take place. I rejoice at all this. I rejoice, because it is proof conclusive of the great prosperity, up to that period, of this important branch of our industry; because it is proof of the beneficial and stimulating effect of decreasing duties; because I see in such results that the great staple interest of the South, and the great manufacturing interest of the North may be reconciled, and that each will find, on fair trial, their mutual interest in low duties and a sound currency, as the only safe and solid protection. This great and striking result is not, be assured, accidental. It comes from fixed laws, which only require to be known, and to be acted on, to give unbounded prosperity to the country. But I had almost forgotten to ask, how can this vast increase of 1841, compared with that of 1840, be reconciled with the supposed unproductive condition of the manufacture of cotton in the latter year? Have our New England brethren forgotten their sagacity and prudence, and gone on rapidly extending their operations, in spite of a decaying business?

But I have not yet exhausted the proof of the great and beneficial effects resulting from the reduction of the duties. It has been alleged as a conclusive objection against the reduction of duties, that it would inundate the country with imports of foreign production, the belief of which has spread great alarm among the manufacturing interest of the country. I admit that the injudicious and sudden reduction at the beginning of this year, and which is to take place on the 30th June next, may, to a considerable extent, have the temporary effect apprehended. I was opposed to throwing so great a reduction on the termination of the series of years of reduction fixed by the compromise; and that for the reason that it would have that effect. Had the reduction been equally distributed over the whole period, as I proposed, or had the offer I made at the extraordinary session been accepted, of bringing down the duties above 20 per cent. on the protected articles gradually, and raising those on the free in the same way, the evil would have been wholly avoided; but other counsel prevailed. The mischief is now done, and must be endured. It is, however, some consolation to think it will be but temporary. Low duties and a sound currency will prove the most effective preventive to over importation, and the alarm, in the end, will prove unfounded. That reduction of duties has not been followed by the evil apprehended, we have strong proof in the fact that it has not been the case under the regular and gradual reduction provided by the compromise, quite down to the last great reduction. In 1839 the importation of cotton goods, of all descriptions, amounted in value to \$13,913,393, and in 1840 to but \$6,594,484; making a reduction in one year, under the increasing reduction of duties, of \$7,408,909; more than equal to the whole amount of the importation of the year; and yet, with all these decisive proofs of their great and growing prosperity, the cotton and other manufacturing interests are pouring in petitions day after day by thousands, crying out for relief, and asking for high and oppressive duties on almost every article of consumption, for their benefit, at the expense of the rest of the community, and that, too, when the

great staple exporting interest, if we are to believe the members representing these petitioners on this floor, is at the same time in the most depressed and embarrassed condition.

But it is attempted to explain these striking proofs of prosperity, which cannot be denied, by stating that they occurred under high protective duties, as only four-tenths of the duties above 20 per cent. on protected articles had been taken off prior to the 1st January last, and that what remained was ample for protection; and that it is to that, not the reduction of the duties, that this great increase of the manufacture of cotton is to be attributed. In reply, I ask if protection, and not reduction of duties, be in fact the cause, how is it to be explained that so little progress was made by the cotton manufacturers during the high protective duties of the tariffs of 1824 and '28? And how, that the progress has been more and more rapid, just in proportion as the duties have been reduced, under the compromise, as the vast increase of the importation of the raw material into the port of Boston clearly indicates? These facts prove, beyond controversy, that the great increase in question did not depend on the protective policy, but the reverse, the reduction of duties, and may be fairly attributed to the effect which the repeal and the reduction of duties under that act has had, *in cheapening the cost of production at home, and enlarging the market for the product of our labor abroad by removing so many and such oppressive burdens from our foreign exchanges.*

Having now shown the relative effects of protection and reduction of duties on the export trade generally, and on the tonnage, foreign and coasting, and the manufacture and consumption of cotton, I shall now proceed to trace their comparative effects on the three great agricultural staples, cotton, rice and tobacco, all of which are the product of that portion of the Union which the Senator and his friends would persuade us has suffered so much from the reduction of the duties. I shall begin with 1820 and conclude with 1840, making twenty-one years, which I shall divide into three equal periods of seven years each; the first to extend to 1826 inclusive, the second to 1833 inclusive, and the last to 1841. The first will conclude with the period which fairly represents the effects of the high duties under the act of 1816, with one or two supplemental acts passed at the close of the late war; the second, that under the protective tariffs of 1824 and 1823, and the last, that under the compromise or reduction of duties. I have commenced the periods of protection and reduction at a little later period than in making out the table of exports generally, because the agricultural staples are sold and shipped in the fiscal year subsequent to their production, and are not materially affected by a change of duty till the succeeding year. It has also the advantage of being divisible into three equal parts, nearly coinciding with those marked and dissimilar periods of legislation, in reference to the duties on imports. The disturbing effects of the late war on the commerce of the country, had in a great measure ceased at the date of the commencement of the first period. With these explanatory remarks, I shall begin with cotton, the leading article, and shall draw my facts from official documents, unless otherwise stated.

Table marked D contains a statement of the value of the exports of cotton for each year during this long period, divided, as already stated, into periods of seven years; by reference to which, it will be seen that the aggregate value of the exports for

the first period of seven years, from '19 to '26 inclusive, was \$170,765,993. That period was one of severe contraction of the currency, following the great expansion in consequence of the universal suspension of all the banks south of New England, from 1813 to 1817, and was marked by great commercial and pecuniary embarrassment.

The aggregate exports in value for the next period of seven years, from the termination of the first to '33 inclusive, was \$201,302,247—(see same table,) a period throughout of high protective duties, without relaxation, excepting the two last years, when the duties on coffee, tea, and some other articles were greatly reduced, and which, as will be seen by reference to the table, had a very sensible effect in increasing the exports of those years. The increase of the exports in the whole of this period, compared with the former, was but \$31,536,254, about 15.6 per cent. being a rate per cent. compared to the increase of population, of about 1-15 only. But even this inconsiderable increase, in a period marked by no extraordinary vicissitude or embarrassment in the commerce or currency of the country, over one of severe contraction and embarrassment, occurred principally during the last two years of the series, after the reduction of the duties already alluded to, and to which it may be fairly attributed.

The aggregate increase for the last period of seven years, from '33, the year of the compromise, to '41, was \$435,300,830—(see same table,) a period throughout of reduction, making an increase of \$233,998,583, equal to about 145 per cent. compared to the aggregate value of the period of high protective tariff, and four times greater than the average increase of our population for the same period, and this for a large portion of the time of unexampled derangement of the currency and pecuniary and commercial embarrassment.

I shall now pass to the next most important of our great agricultural staples, tobacco, referring for a detailed view to table marked E, and for explanation as to each period, the remarks made in reference to cotton.

The aggregate export in value of tobacco for the first period was \$43,441,569; and of the second, \$39,983,570, being an actual falling off under the high, increased protective duties of the acts of '24 and '38, compared to the lower, but still high duties of the former period, of \$3,557,899, and that too in the absence of all adverse causes except the high oppressive duties during the period.

Turn now to the period of reduction and witness the result, notwithstanding all its embarrassments. The aggregate export of tobacco during that period increased to \$57,809,098—an increase, compared to the period of protection, of \$17,945,528—equal to about 43 per cent. on the former and nearly double compared to the increase of population. And yet, with this striking fact, taken from official documents, there are those residing in the tobacco region who, not content with this vast and rapid increase, would resort to retaliatory duties on silks, linens, wines, and the other articles made free of duty by the compromise act, in order to increase still more the tobacco trade; that is, they would lay heavy duties on the very articles, the exception of which from duties has given it this mighty increase, in the hopeless struggle of compelling a change in the long established system of finance by which tobacco has been subject to high duties in the old nations of Europe. If what is aimed at could be accomplished, it would be well, though

doubt whether it would be to the advantage of our tobacco trade, even if it could be done; but if that should fail, the loss would be certain and incalculable to the tobacco growers. The trade would be sacrificed in the attempt. The duty already imposed, at the extra session, of 20 per cent. will do much to cripple the trade.

I shall next proceed to the least considerable of the three staples, rice, referring for detailed information to the table F, and here we have the only unfavorable result which any of the items of exports I have examined give. The aggregate exports of rice, in value, during the first period, were \$12,334,369, and in the second, \$16,308,842, showing a gain of \$3,974,573, and in the third of \$15,314,739, showing a falling off of \$994,103 in the exports, probably caused by the greater consumption at home, in consequence of opening the interior to its use by means of railroads and canals, and the drawing off of hands engaged in the culture of rice to be employed in that of cotton.

By combining the whole, it will appear that the aggregate gain on the three staples in the second period, that of high protective duties, compared with the first, that of lower, but still high duties and great commercial and pecuniary embarrassment, deducting the falling off on tobacco, and adding the gain on rice, is only \$31,953,828 in seven years, or an aggregate export, during the first period, of \$226,538,201, less than $1\frac{1}{2}$ per cent. for the whole period, being an increase, compared to that of the population for the time, of about one-sixteenth only; while the aggregate gain of the last period (that of reduction of duties) on the three staples combined, deducting the loss on rice, and adding the gain on tobacco, is, compared to the second, that of high protective duties, \$250,950,958 in the seven years; being an increase greater than the whole amount of the aggregate exports of the preceding period, and greater than the ratio of the increase of population for the time, by more than $3\frac{1}{2}$ to one.

Such is the mighty impulse, which (I will not say free-trade, for we are still far from it) but which a reduction of duties has given to the export trade of our great agricultural staples, from which the commerce and navigation of the country derive their main support. There can be no mistake. The facts are drawn from official sources and do not admit of any error which can materially vary the result.

But I admit that there is great pecuniary embarrassment and distress throughout the whole staple region, notwithstanding this vast increase of the production and value of their great staples. The fact being admitted, the question is, what is the cause? The Senator and his friends attribute it to the reduction of the duties. I deny it. The official documents deny it; for nothing is more certain than that the income of the staple States, taken as a whole, never has been so great; no, nothing like it in proportion to its population, as it has been during the period since the adoption of the compromise. Be, then, the cause what it may, it is certain that the reduction of duties is not, and that so far from that, it has taken place in spite of, and not in consequence of reduction. What, then, is it? I will tell you: indebtedness—universal, deep indebtedness of States, corporations, and individuals, followed by a forced and sudden liquidation. That is the obvious and unquestionable cause. And what has caused that? What but a vast and long continued expansion of the currency, which raised prices be-

yond all former rates, and which by its delusive effects turned the whole community into a body of speculators, in the eager expectation of amassing sudden fortunes? And what caused this great and disastrous expansion? The banks, combined with the high and oppressive duties imposed by the tariff of 1828. It was that measure, which by its necessary operation turned exchanges in favor of this country, and, by necessary consequence, as I have proved on a former occasion,* caused the great expansion which followed the passage of that act, and which, by a series of causes, explained on the same occasion, continued to keep exchanges either in our favor or about par, to the suspension in 1837. Another powerful cause for this expansion, resulting from high duties and springing from the same act, was the vast surplus revenue which it accumulated in the Treasury, or rather in the banks, as its depositories, and which became, in fact, bank capital in its worst and most corrupting form, and did more to overthrow them and cause the present embarrassed state of the Government and country, than all other causes combined. It was the proximate cause of the then suspension; and, in turn, of their present ruined condition, and that of the forced liquidation under which the country is suffering. These causes, with the bankrupt law and the return of stocks from abroad, followed by a drain of specie, have produced that universal and intense pecuniary embarrassment and distress of which we hear such complaint. They belong to the banking and tariff system, and not to the reduction of duties, which so far from being the cause, has done much to mitigate the evil, by the vast addition it has made to the income of the country, as has been shown. But, in addition these, the great staple region, especially the cotton region of the Southwest, have had great and peculiar difficulties of their own. The rapid extinction of the Indian title to a vast and fertile territory in that quarter, with a climate and soil more congenial to the growth of cotton than any of the Atlantic States, which, in combination with the expanded state of the currency, led to bold and reckless speculation, on a great scale, at the highest prices in land and negroes, and which have overwhelmed the Southwestern States with debt, and notwithstanding the vast increase of their income, have left them in their present embarrassed condition.

These, I repeat, are the great causes of the distress and embarrassments of the staple States, and, I may add, through them, of the Union. They come not from free trade, as the Senator would have us believe, but from his own favorite system of banks and tariffs, to which he so earnestly invites the country again to return. His is the stimulating treatment. The suffering patient is trembling in every joint and almost ready to sink from his late debaucheries; his prescription is to return again to the bottle—to drink from the same deceitful bowl, instead of honestly prescribing total abstinence as the only effectual remedy.

But to return to the documents, which I have not exhausted. The Senator asserted that the price of cotton has been lower during the period of reduction, than under his old and cherished system of protection; and here, again, I meet him on the fact. In order to test the truth of his assertion, I have formed a tabular statement of the quantity and price of cotton for each year from 1819 to 1841, divided, as in the case of the exports, into three parts

* Speech on the assumption of State debts, delivered in 1840

of seven years each, corresponding with the former. The table will be found in the appendix, marked G. The statement from 1819 to '36 is taken from a laborious and carefully compiled report of the Senator from New Hampshire [Mr. WOODBURY] made while he was Secretary of the Treasury, and which contains a great deal of valuable information in relation to that important staple. The price for the remaining portions of the period is from a monthly statement of the prices of cotton at New Orleans, taking the average between the highest and lowest price each month, and the quantity from several sources, but principally from a carefully drawn statement, apparently by one well informed, and published in the Southern Banner.

By reference to the table it will be seen that the aggregate quantity produced in the first part of the period, from '19 to '26 inclusive, was 1,555 millions of pounds; that the average price was 15 1-3 cents per pound; and the value \$234,675,000; and that in the second, from '26 to '34, the quantity was 2,530 millions of pounds, the average price 10 cents, and the value \$263,387,500—showing a falling off in the average price of rather more than one-third, and an aggregate increase of value of only \$28,712,500 in the whole seven years. Now note the difference under the influence of the reduction of the duties. The aggregate quantity increased to 3,777 millions of pounds, the price increased to an average of 13 1-3 cents per pound, and the aggregate value to \$496,516,500, making an increase for the seven years of \$223,730,000. But as great and striking as this result is, there is reason to believe, that it is below the reality. Having the average price for the respective periods, and the value of the exports for the same, it is easy to ascertain the quantity shipped to foreign countries on those data, which, if deducted from the whole quantity produced, will give what would be left for home consumption. By applying this calculation to the respective periods, it will be found that in the two former periods, a considerably greater amount is left for home consumption, than what the home market is usually estimated to require, during those periods, and in the last considerably less. That would indicate a corresponding error either in the price or the quantity, in favor of the two first, against the last period, which may in part be accounted for from the fact that in making up the estimate of the price prior to 1835, the Secretary of the Treasury took the aggregate value, including Sea Island as well as the short staple, and which of course would considerably increase the average price of the whole, at a period when the former bore a larger proportion to the whole than at present. The prices in the table since 1835, are taken exclusively from the short staple. But, be the cause what it may, it is probable, on the data already stated, the value during the last period, that of reduction, ought to be raised not less than twenty millions, or those of the preceding reduced that amount.

And here I deem it proper to notice the triumphant air with which the Senator noticed the present low price of cotton, which he asserted to be lower than it has been since the late war. It is, indeed, low, very low—too much so to bear the burden of high protective duties; but as low as it is, it is not lower than it was in 1831, under the operation of his favorite system, and to which he invites us to return. But the Senator seems to forget that price is not the only element by which the prosperity of cotton, or any other product is to be estimated. Quantity is fully as important as price itself, in es-

timating the income of those engaged in the production. Now, sir, let us take into the calculation both these elements, in estimating the income of the cotton planters from the crop of 1830, sold in '31, and that of 1841, sold this year, estimated at the same price, say an average of 9 cents, or any other amount. The crop of 1830 is put down at 350 millions of pounds, which at 9 cents would give \$31,500,000; and that of 1841, estimated at one million seven hundred thousand bales, say four hundred pounds to the bale, would give 680 millions of pounds, which at 9 cents would give \$61,200,000, making a difference of \$29,700,000 in favor of the latter, nearly double the former. It is this great increase in quantity produced under the stimulus of low duties, which, if we were permitted to enjoy its advantages, would add so greatly to the prosperity of the cotton interest.

Such are the facts drawn almost exclusively from official documents, and such the results, proving beyond all doubt the deadening effects of high protective duties on the productive energy of the country, and the vivifying effects of a reduction from duties. Proof more conclusive of the one and the other cannot be offered; but it would be vain to expect it to make the slightest impression on the party which now controls the Government. The leading interest—that which controls all their actions—are banks, tariffs, stocks, paper, monopolies, and above all, that mischievous interest which lives on the Government itself and flourishes most when its exactions are the greatest, and its expenditures the most profuse. High duties is the life blood of this powerful combination; and be the proof of its pernicious effects on the community at large ever so clear—as clear as the sun at noon, it would make no impression on them. It is to politics, and not political economy they look, and they would readily sacrifice the manufactures themselves to save their party and its political ascendancy. But I say to them, that it is in vain you resist light and reason. The freedom of trade has its foundation in the deep and durable foundation of truth, and will vindicate itself. It draws its origin from on high. It emanates from the Divine will, and is designed in its dispensation to perform an important part in binding together in concord and peace the nations of the earth, and in extending far and wide the blessings of civilization. In fulfillment of this high design, severe penalties are annexed to a departure from its laws. But this is not the proper occasion to enter on these higher considerations. I hope an opportunity will be afforded when the bill comes up for the revision of the duties for which these resolutions are, I suppose, intended to prepare the way. When it comes to be acted on, I intend to embrace the opportunity to trace the laws of which the facts and results, which I have stated from official sources, are but consequences—laws as fixed and immutable as those which govern the material world.

As great and striking as these results are, it must be borne in mind, that they are but the effects of the reduction of duties, and that, too, under the greatest embarrassment and disadvantages growing out of the protective system, and not the full and mature fruit of free trade. What has as yet been experienced, affords but a faint conception of the wide and general prosperity which would be diffused throughout the whole community by low duties, sound currency, and exemption from the debts and embarrassments of a false and pernicious system. If gentlemen could be persuaded to abstain from

their prescriptions—leave off their nostrums—restore the revenue from the lands—economise and trench expenditures—the youthful vigor of the patient would soon do the rest. Full and robust health would soon be restored, and a few years' experience under the benign effects of a truer and better system, would in a short time obliterate the recollection of present suffering.

Before I conclude, I feel called on to notice the frequent allusion made to South Carolina during the course of this discussion. Every one who has listened to what has been said, must have been struck with the bold assertions of the Senator and others who have taken the same side, in reference to her depression and difficulties. It has been solemnly asserted that no one could venture to say that she has realized any of the anticipated advantages from reduction of the duties. I propose to answer these bold and declamatory assertions, as I have others of like kind, by appealing to facts, resting on official documents. For this purpose I have selected the same period of twenty-one years, from 1810 to 1830, divided into the same divisions of seven years each, and have formed a table marked A, giving the exports from the State for each year, and the aggregate exports for each division. Reference to it will show that the aggregate exports in value from the State during the first period, from 1810 to 1816 inclusive, was \$55,545,572, and that from the next, terminating with 1822, under the operation of the two high tariffs of 1824 and 1828, the aggregate exports decreased to \$52,965,513, showing a falling off of a million and a half, under high duties. Turning, then, to the period of reduction, the period depicted by gentlemen as so disastrous to the State, we shall find instead of a decrease, the aggregate exports of the period swelled to \$78,338,594, being an increase of \$25,375,081, compared to the preceding period of high duties. The effect on the imports is still more striking, both in the falling off during the period of high duties and recovering under that of reduction.

But it has been attempted to explain this rapid increase of exports on the ground that a large portion are the products of Georgia, drawn to the port of Charleston by the railroad to Hamburg, opposite to Augusta. It is probable that there was a greater amount from Georgia during the last period, compared with the preceding, from that cause, but nothing like sufficient to account for the increase, as would be manifest by turning to the exports and imports of Georgia, for the same period. I find on examining them, that they have followed the same laws in the two periods, the exports remaining about stationary during the period of high duties, and the imports regularly falling off, and both immediately and regularly increasing throughout that of the reduction; with this difference, that Georgia has increased in both even more rapidly than Carolina, probably because of her increased population. But be that as it may, it clearly shows that the great increase of Carolina is not owing to the cause to which it is attempted to attribute it.

But as great as the impulse is, which has been given to her export trade, I do not deny that South Carolina, like all the other States, is suffering under great pecuniary and commercial embarrassments, not, however, in consequence of reduction of duties, but in spite of it. Her suffering is from the same general causes already explained, with the addition of several peculiar to herself. Short crops from bad seasons for the last two years; a destructive fire, in the

heart of her commercial capital, which destroyed a large portion of that city; a heavy loss, estimated at about three millions of dollars, from the insolvency of the United States Bank of Pennsylvania; a large expenditure on a railroad project, which has been found impracticable; and the deranged state of the currency in the surrounding States, which has done much to embarrass her commerce. But, in the midst of all difficulties, she stands erect, with a sound currency and unimpaired credit; and as likely to ride out the storm as any other State. Gentlemen greatly mistake, if they suppose she is so ignorant and stupid as to confound the cause of her difficulties with what has done so much to augment her means and to enable her to bear up successfully under her difficulties.

Having finished my remarks as far as they relate to these resolutions, I propose to advert, in conclusion, to a topic which has been drawn into this discussion by almost every one who has spoken on the opposite side. It would seem that there has sprung up, all at once, among our manufacturing friends, a great solicitude about us of the South, and our great staple. They look on our ruin as certain, unless something should be done to prevent it, and are ready to shed tears at the distress about to overwhelm us. They see in Hindostan a great and successful rival, about to drive us entirely out of the cotton market of the world; against which, according to their opinion, there is but one refuge, the home market, to be secured by high protective duties. To this paucity they resort for every disease that can afflict the body politic. But admit the danger, I ask of what service would the home market be to us, if we lose the foreign? We have already possession, substantially, of the home market. The whole amount of cotton goods imported for consumption in 1840, was but little more than six millions of dollars, but the one-eighth in value compared with that manufactured at home. Of the imported, by far the larger proportion are fine and light articles, which would require but a small quantity of the raw material to manufacture them; not more at the outside, I would suppose, than thirty thousand bales; so that if every yard of cotton goods consumed in the country was made at home, it would only make that addition to the quantity of cotton already consumed by our own manufactures. What, I ask, is to be done with the residue, which is five or six times greater, and now finds its market abroad? Do you suppose that we are such simpletons as to assent to high duties on all we consume—to be highly taxed in all that we eat, drink or wear, for such paltry consideration? But suppose we should be simple enough to be gulled by so shallow a device, what security have we, if the East India cotton should prove to be cheaper than ours, as you allege it will, that the duty which would be laid on it might not be repealed, just as you have repealed that on indigo, raw hides, and many other articles, which might be supplied from our own soil? You must pardon me. I cannot take your word, after the ingenuity you have shown, in construing away the compromise act. You must excuse me if I am a little suspicious and jealous after what I have witnessed. You must redeem the existing pledges before you ask me to accept of another.

But is the danger really so great as gentlemen represent? Are we in reality about to find a successful rival in the cultivation of cotton? If such be the fact—if the cultivation of cotton is to be lost—we shall have at least the poor consolation that we

will not be the only sufferer. It would work a revolution in all our industrial pursuits. What would become of our foreign and domestic commerce? What of our tonnage and navigation? What of our finances? What of the great internal exchanges of the country? I will not undertake to offer an opinion on the capacity of Hindostan to produce cotton. The region is large, and the soil and climate various. The population great and wages low; but I must be permitted to doubt the success of the experiment of driving us out of the market, though backed and patronized by English capital and energy. Nor am I alone in doubting. I have taken from a late English paper (The Manchester Guardian) an article which speaks with great confidence that the experiment has proved a failure. I will thank the Secretary to read it:

CULTIVATION OF COTTON IN INDIA.—Since the publication of the letter on this subject, addressed by the Bombay Chamber of Commerce to the Indian Government, we have learnt, through the medium of letters received by the last overland mail, that the efforts of the American planters who went to the westerly side of India have so far entirely failed. Indeed, so far as we can learn, there has been very great neglect and mismanagement on almost every point connected with their operations. It would seem as if the directors of the East India Company had thought it was quite enough to send them to India, and that all further care about them was quite unnecessary; for, on their arrival in that country, they found that no direction respecting them had been given; and they were absolutely losing their time for two or three months, until instructions could be received from the Government. Then, instead of letting them survey the country, and choose the situation and soil which appeared best adapted for the culture of cotton, when instructions were received, they were taken at once to Broach and there placed under the direction of a gentleman who felt no interest in the matter, but who took upon him to choose soil and situation for them. He allotted them what was considered very good cotton land—that is, land of a strong and tenacious quality, exceedingly well adapted for the growth of the native cotton, but which former experiments had shown to be very unfavorable to the American plant, which has a large tap root, and thrives as badly in the stiff black soil in which the native cotton is grown, as carrots would thrive in a stiff clay in this country. As a matter of course, their crop of upland cotton has failed, with the exception of a very small patch which they had planted on a piece of light sandy soil, which the tap roots of the cotton were able to penetrate, and on which the plants were exceedingly luxuriant, and covered with large pods of cotton. From the strong black soil, it was not supposed that they would be able to pick a pound per acre of good cotton. So far, therefore, the cultivation of American cotton in Upper India has made no progress; nor do we imagine that it is very likely to do so hereafter. From all we have read upon the subject of Indian cotton cultivation, it seems to us, that the best chance of success is to be found in a careful and discriminating growth of native varieties, and a careful gathering and cleaning of the produce. This was one of the objects towards which the attention of the American planters was to be directed; but, hitherto, we find very little has been done. At the date of the latest advices from Broach (the 24th of November), they were putting up a gin-house for ginning native cotton; but, owing to the great number of obstacles necessarily experienced in such a country as India, they made very slow progress with their work; and it was feared that the growing crop would be entirely over before their gins were ready. Up to the date mentioned, no satisfactory experiments had been made as to the capability of the native cotton to stand ginning. Some trials were about to be made with a hand-gin, which, one would suppose, ought to have been the first step taken, before incurring a large expense in erecting machinery, which may prove useless. On the whole, we fear the prospect of receiving any large supply of superior cotton from India is not at present very flattering. In order to overcome the difficulties presented by the habits of the people, and by other causes, great energy and perseverance, on the part of the agents of the Indian Government entrusted with the control of the experiments, is absolutely necessary; and those qualities cannot be expected from parties who do not feel a strong interest in their success. Hitherto, we believe, the Government agents have lent but a cold and indifferent aid to the experiments; and it is, therefore, to be feared, that, unless the matter should be put into other hands, there does not seem to be much chance of any good result from experiments from which so much was expected.—*Manchester Guardian*.

In confirmation of the opinion of the writer of the article, that of intelligent individuals, well

acquainted with the country, might be added, who speak with confidence that, taking price and quality into consideration, we have nothing serious to apprehend. We might, indeed, have something to fear during the continuance of the Chinese war. That country is the principal market for the cotton of Hindostan, and while it remains closed, the cotton intended for its market may be thrown in such quantities on the European as may materially depress the price. But the present relation between Great Britain and China cannot long continue. It can scarcely be doubted that the former will at last succeed in opening the market of China to the commerce of the world to a much greater extent than it has ever been heretofore; when, so far from competing with us, the cotton of Hindostan will not be sufficient to supply the demands of that great market.

But I am not ignorant that we must rely for holding the cotton market on our superior skill, industry, and capacity for producing the article. Nearly, if not altogether, one-half of the solid contents of the globe is capable of producing cotton; and that too in the portion the most populous, and where labor is the cheapest. We may have rivals every where in a belt of 70 degrees at least, lying on each side of the equator and extending around the globe. Not only the far East, but all Western Asia, quite to the 35th or even the 40th degree of latitude, a large portion of Europe, almost all Africa, and a large portion of this continent, may be said to be a cotton producing region. When the price of cotton rises high, a large portion of that immense region becomes our competitors in its production, which invariably results in a great fall of price, when a struggle follows for the market. In that struggle, we have ever heretofore succeeded, and I have no fear, with fair play on the part of our own Government, we will continue to be successful against the world. We have the elements of success within us. A favorable soil and climate, a plenty of cheap land, held in fee simple, without rent, tithe, or poor rates. But, above all, we have a cheap and efficient body of laborers, the best fed, clothed, trained, and provided for, of any in the whole cotton growing region, for whose labor we have paid in advance. I say paid for in advance, *for our property in our slaves is but wages purchased in advance, including the support and supplies of the laborers, which is usually very liberal.* With these advantages we may bid defiance to Hindoo or Egyptian labor, at its two or three cents a day. Ours being already paid for, is, as far as the question of competition is concerned, still cheaper, to say nothing of its superior efficiency, its better and more skilful direction, under the immediate eye of intelligent proprietors, of cheap, unincumbered land, favorable soil, and climate, and greater facility and cheapness of transportation to the great markets of the world. But this not all. We have another and great advantage. There is not a people on earth who can so well bear the curtailing of profits, as the Southern planters, when out of debt. A plantation is a little community of itself, which, when hard pressed, can furnish within itself almost all of its supplies. Ours is a fine provision country, and, when needs be, can furnish most of its supplies of food and clothing from its own resources. In prosperous times, when the price of our staples is high, our labor is almost exclusively directed to their production, and then we freely and

liberally part with their proceeds in exchange for horses, mules, cattle, hogs, and provisions of all description from the West, and clothing and all the products of the arts with the North and East; but when prices fall and pressure comes, we gradually retire on our own means, and draw our own supplies from within.

With these great advantages, it is not wonderful that in all the great struggles that we have had for the cotton market, (they have been many and great,) we have ever come off successful. It is incident to that great staple article, cotton, the first in the whole circle of commerce, to be subject to extraordinary vibrations of price from the causes to which I have alluded. At one time prices are high and profit great, and at another, low and the profits small. It can be permanently cultivated only by those who can best go through these great vibrations. We are willing to hold it on that condition, and feel confident we can, with justice from this Government. We dread not the competition of Hindostan; but your unequal, unconstitutional, and oppressive legislation—that legislation which pushes the expenditures of the Government to the most extravagant extent, and which places the burden of supporting the Government almost exclusively on the exchanges of our products with the rest of the world. Every dollar of tax, imposed on our exchanges in the shape of duties, impairs to that extent our capacity to meet the severe competition to which we are exposed; and nothing but a system of high protective duties, long continued, can prevent us from meeting it successfully. It is that which we have to fear. Let the planters avoid banks, keep out of debt, and have a sound currency and low duties, and they may bid defiance to competition, come from what quarter it may, and look forward with confidence to a prosperity greater than they have ever yet experienced.

APPENDIX.

TABLE A.—DOMESTIC EXPORTS.

Years.	Domestic Exports.	Years.	Domestic Exports.
1825	\$66,941,745	1833	\$70,317,698
1826	53,055,710	1834	81,034,162
1827	58,921,691	1835	101,189,032
1828	50,669,669	1836	106,916,680
1829	55,700,193	1837	95,564,414
1830	59,462,029	1838	96,033,821
1831	61,277,057	1839	103,533,891
1832	63,137,470	1840	113,762,617
	\$469,198,564		\$768,352,365

TABLE B.—AMERICAN TONNAGE.

Years.	Registered Tonnage.	Enrolled and Licensed.	Total.
1825	700,787	722,323	1,423,111
1826	737,978	796,212	1,534,190
1827	747,170	873,437	1,620,607
1828	812,619	928,772	1,741,391
1829	650,142	610,654	1,260,797
1830	576,475	615,301	1,191,776
1831	620,451	647,394	1,267,846
1832	686,989	752,459	1,439,450
1833	750,026	856,122	1,606,149
1834	857,435	901,468	1,758,906
1835	885,821	939,118	1,824,939
1836	897,774	981,323	1,879,202
1837	810,447	1,036,238	1,846,685
1838	822,591	1,173,047	1,995,638
1839	834,244	1,262,234	2,096,478
1840	899,764	1,280,999	2,180,763

TABLE C.—MANUFACTURES.

Years.	Amount in each year.	Years.	Amount in each year.
1825	\$5,729,797	1833	\$6,557,080
1826	5,495,130	1834	16,247,893
1827	5,536,651	1835	7,694,073
1828	5,548,354	1836	6,107,528
1829	5,412,320	1837	7,136,997
1830	5,320,980	1838	8,397,078
1831	5,086,890	1839	10,927,529
1832	5,050,633	1840	12,848,940
	\$43,180,755		\$65,917,018

TABLE D.—EXPORTS.

Years.	Cotton.	Years.	Cotton.	Years.	Cotton.
1820	22,308,667	1827	29,359,545	1834	49,448,402
1821	20,157,484	1828	22,487,229	1835	64,661,302
1822	24,035,053	1829	26,575,311	1836	71,284,925
1823	20,445,520	1830	29,674,883	1837	63,240,102
1824	21,947,401	1831	25,289,492	1838	61,556,811
1825	36,846,649	1832	31,724,682	1839	61,238,982
1826	25,025,214	1833	36,191,105	1840	63,870,307
	170,765,993		201,302,247		435,300,831

TABLE E.—EXPORTS.

Years.	Tobacco.	Years.	Tobacco.	Years.	Tobacco.
1820	7,968,600	1827	6,816,146	1834	6,595,305
1821	5,648,962	1828	5,840,707	1835	8,250,577
1822	6,222,838	1829	5,185,370	1836	10,058,640
1823	6,282,672	1830	5,833,112	1837	5,795,647
1824	4,855,566	1831	4,892,388	1838	7,392,029
1825	6,115,623	1832	5,999,769	1839	9,832,943
1826	5,347,208	1833	5,755,968	1840	9,883,957
	43,441,469		39,963,450		57,809,093

TABLE F.—EXPORTS.

Years.	Rice.	Years.	Rice.	Years.	Rice.
1820	1,714,923	1827	2,343,008	1834	2,122,292
1821	1,494,307	1828	2,620,696	1835	2,210,331
1822	1,563,482	1829	2,514,370	1836	2,548,750
1823	1,820,985	1830	1,956,824	1837	2,309,279
1824	1,882,982	1831	2,016,267	1838	1,721,819
1825	1,925,245	1832	2,152,361	1839	2,460,193
1826	1,917,445	1833	2,774,418	1840	1,942,076
	12,319,369		16,408,844		15,314,745

TABLE G

Statement showing the quantity, price, and value of the Cotton grown in the United States from 1819 to 1840.

Year.	lbs. mil- lions.	Price per lb. cents.	Value.	Increase.
1820	160	17	\$27,200,000	
1821	180	16	28,800,000	
1822	210	16½	34,650,000	
1823	185	11	20,350,000	
1824	215	15	32,250,000	
1825	255	21	53,550,000	
1826	350	11	38,500,000	
	1,555	15½	\$234,675,000	
1827	270	9½	27,700,000	
1828	325	10½	40,625,000	
1829	365	10	36,500,000	
1830	350	10	35,000,000	
1831	385	9½	35,612,500	
1832	390	10	39,000,000	
1833	445	11	48,950,000	
	2,530	10	\$263,387,500	\$23,712,500

TABLE G—Continued.

1834	460	13	59,800,000	
1835	416	16 $\frac{1}{2}$	68,640,000	
1836	445	15 $\frac{1}{4}$	67,862,500	
1837	485	15 $\frac{3}{4}$	73,962,500	
1838	525	10 $\frac{1}{4}$	53,812,500	
1839	566	14	79,240,000	
1840	880	9 $\frac{1}{2}$	83,600,000	
	3,777	131 $\frac{3}{4}$	\$487,117,500	223,730,000

The quantity of cotton received at the port of Boston from October, 1839, to October, 1840, was:

Receipts in 1835	-	-	-	80,709 bales.
do 1836	-	-	-	82,885 "
do 1837	-	-	-	82,664 "
do 1838	-	-	-	96,636 "
do 1839	-	-	-	94,350 "
do 1840	-	-	-	136,357 "
Estimate for 1841	-	-	-	150,000 "

Since January 1st, 1841, there was received to this, the 26th of May, less than five months, 93,057 bales, and the quantity received this year will probably be 150,000 bales.—*Boston Atlas*.

TABLE H.—DOMESTIC EXPORTS OF SOUTH CAROLINA FROM 1819 TO 1841.

Years.	Exports.	Years.	Exports.	Years	Exports.
1820	8,690,539	1827	8,189,496	1834	11,119,565
1821	6,867,515	1828	6,508,570	1835	11,224,293
1822	7,136,366	1829	8,131,676	1836	13,482,757
1823	6,671,998	1830	7,580,821	1837	11,138,992
1824	7,833,713	1831	6,523,605	1838	11,017,391
1825	10,876,475	1832	7,685,833	1839	10,318,822
1826	7,468,966	1833	8,337,512	1840	10,036,769
	55,545,572		52,965,513		78,338,594

Gain in last seven years, 25,373,081.

